



## Office Of Health Care Access Certificate of Need Application

### Final Decision

**Applicants:** Natchaug Hospital, Inc.  
Day Kimball Hospital

**Docket Number:** 01-544

**Project Title:** Integration of Adult Partial Hospital Programs

**Statutory Reference:** Section 19a-638, Connecticut General Statutes

**Filing Date:** November 15, 2001

**Decision Date:** November 20, 2001

**Default Date:** February 13, 2002

**Staff Assigned** Susan Cole

**Project Description:** Natchaug Hospital, Inc. and Day Kimball Hospital are proposing to integrate their existing adult partial hospital services located on the grounds of Day Kimball Hospital by transferring the management of the programs to Natchaug Hospital, Inc. There is no capital expenditure associated with this proposal.

**Nature of Proceedings:** On November 15, 2001, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) application of Natchaug Hospital, Inc. and Day Kimball Hospital (collectively known as “Applicants”) seeking authorization for the integration of existing adult partial hospital services. There is no capital expenditure associated with this proposal. The Applicants are health care facilities or institutions as defined by Section 19a-630, of the Connecticut General Statutes (“C.G.S.”).

OHCA's authority to review and approve, modify or deny this proposal is established by Section 19a-638, C.G.S. The provisions of this section, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

## **Findings of Fact**

### **Clear Public Need**

#### **Proposal's Contribution to Accessibility of Health Care Delivery in the Region Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services Financial Feasibility of the Proposal and its Impact on the Applicants' Rates and Financial Condition**

1. Natchaug Hospital, Inc. is a psychiatric hospital located in Mansfield, Connecticut. *(November 15, 2001, CON Application, page 3)*
2. Day Kimball Hospital is an acute care hospital located in Putnam, Connecticut. *(November 15, 2001, CON Application, page 3)*
3. Day Kimball Hospital and Natchaug Hospital, Inc. ("Applicants") currently operate adult partial hospital services at the same site on the grounds of Day Kimball Hospital in Putnam, Connecticut. *(September 13, 2001, Letter)*
4. The primary service area of the partial hospital services includes Thompson, Putnam, Pomfret, Killingly, Brooklyn, Plainfield, Sterling and Eastford. *(September 28, 2001, General Proposal Information)*
5. Day Kimball Hospital has operated an adult psychiatric partial hospital program since 1977. This program primarily treats patients with psychiatric diagnoses. *(September 28, 2001, Proposal Description)*
6. Natchaug Hospital, Inc. received CON authorization in 1997 to offer an adult psychiatric and substance abuse program at the same site. This program primarily treats patients with substance abuse disorders. *(September 28, 2001, Proposal Description)*
7. The programs currently have an agreement that provides for the following:
  - a. Sharing the costs of a program manager and certain clinical staff that are shared between the program components.
  - b. Natchaug Hospital, Inc. leases program space and purchases food from Day Kimball Hospital.

- c. Each program employs its own staff and each program bills for services provided by their staff. *(September 28, 2001, Proposal Description)*
8. There were over 3,500 visits to the programs in FY 2001. *(November 15, 2001, CON Application, page 2)*
9. The Applicants are proposing to integrate the two programs in order to streamline administration and reduce overhead associated with maintaining two billing systems. *(September 28, 2001, Letter of Intent, Project Description)*
10. On October 23, 2001, in CON Determination Report # 01-P3, OHCA determined that the proposed integration of services represents a change in ownership and control and therefore requires CON authorization. *(October 23, 2001, CON Determination Report #01-P3)*
11. This proposal would result in a decrease in Medicare Intermediary claims review and potentially improve reimbursement. *(September 28, 2001, Letter of Intent, Project Description)*
12. It is proposed that Natchaug Hospital, Inc. will assume the following activities:
  - a. billing for all services provided by the programs; and
  - b. employing the program staff or contract with Day Kimball for the staff needed to maintain program capacity at current levels.  
*(November 15, 2001, CON Application, page 4)*
13. The professional staff includes a staff psychiatrist, nurse, master's level professional counselors and social workers, and certified occupational therapy assistants. *(September 28, 2001, Letter of Intent, Project Description)*
14. The integrated program will remain at the same location and there will be no changes in the population served, or services provided. *(September 28, 2001, Proposal Description)*

### **Consideration of Other 19a-637, C.G.S. Principles and Guidelines**

The following findings are made pursuant to other principles and guidelines set forth in Section 19a-637, C.G.S.:

15. There is no State Health Plan in existence at this time. *(November 15, 2001, CON Application, page 1)*
16. The Applicants have adduced evidence that this proposal is consistent with their long-range plans. *(November 15, 2001, CON Application, page 2)*

17. The Applicants' proposal will have no effect on the Applicants' current teaching and research responsibilities. *(November 15, 2001, CON Application, page 3)*
18. There are no distinguishing characteristics of the Applicants' patient/physician mix. *(November 15, 2001 CON Application, page 3)*
19. The Applicants' proposal will have no change on the Applicants' technical, financial and managerial competence to provide efficient and adequate services to the public. *(September 28, 2001 Letter of Intent, Project Description)*
20. The Applicants' proposal will have no impact on the Applicants' ability to continue to provide quality health care in the area. *(November 15, 2001 CON Application, page 3)*

## **Rationale**

Natchaug Hospital, Inc. and Day Kimball Hospital ("Applicants") are proposing to integrate their existing adult partial hospital services located on the grounds of Day Kimball Hospital by transferring the management of the programs to Natchaug Hospital, Inc. The Applicants are proposing to integrate the two programs in order to streamline administration and reduce overhead associated with maintaining two billing systems. The implementation of the proposal may potentially improve reimbursement. The integrated program will remain at the same location and there will be no changes in the population served or the services provided. There is no capital expenditure associated with the proposal.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Natchaug Hospital, Inc. and Day Kimball Hospital to integrate their existing adult partial hospital services located on the grounds of Day Kimball Hospital by transferring the management of the programs to Natchaug Hospital, Inc. is hereby GRANTED.

## Order

The request of Natchaug Hospital, Inc. and Day Kimball Hospital to integrate their existing adult partial hospital services located on the grounds of Day Kimball Hospital by transferring the management of the programs to Day Kimball Hospital is hereby authorized, subject to the following conditions:

1. There is no capital cost associated with this authorization.
2. The authorization shall expire on November 20, 2002. Should the Applicants' project not be completed by that date, the Applicants must seek further approval from OHCA to complete the project beyond that date.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Office of Health Care Access

\_\_\_\_\_  
Date

\_\_\_\_\_  
Raymond J. Gorman  
Commissioner

RJG/ro  
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